

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

SECRET

25X1

COUNTRY Poland

REPORT

25X1

SUBJECT Lenin Iron and Steel Works and the Town of Nowa Huta near Krakow

DATE DISTR. 26 July 1954

NO. OF PAGES 4

25X1 DATE OF INFO.

REQUIREMENT

25X1

PLACE ACQUIRED

REFERENCES

25X1

1. The town of Nowa Huta is located about 10 kilometers southeast of Krakow and is connected with Krakow by railroad and double-track trolley lines. Construction on the town of Nowa Huta, as well as on the steel plant, was begun over five years ago. The town has about 35,000 inhabitants, but the authorities envisage a town with a population of 100,000 people. The growth of the town has been hindered by a lack of construction materials and an adequate labor force. Aside from the large, well-constructed public and party buildings in the town, only a few of the private dwellings are modern and well-built. Most of the flats are very small and cheaply constructed; windows and doors do not shut properly; the flats are inadequately wired or not wired at all; water pipes have not been installed, and there are only a few public water pumps in the town; and the water closets lack either pipes or toilets. Many substitute building materials are used in the construction of the private dwellings, e.g., pressed sheets of paper and wood scraps are used in the place of wooden planks and beams; and a mixture of sand, clay and a little cement called "pap" is used instead of regular mortar. Furthermore, the construction is not first-rate because of the attempts to save on building materials and attempts by workers to fulfill or pass their norms. It has also been difficult to enlist or keep an adequate labor force because of the housing and living conditions in the town.
2. Deliveries of building materials are always behind schedule, and there is a great deal of pilfering of building materials. [redacted] peasants come into the town to exchange their foodstuffs and other goods for such sorely needed items as cement, bricks, wire, beams, planks, etc.
3. Zralek (fnu) was the director and chief engineer of the Nowa Huta project until he died of a heart attack in the fall of 1953. His successor is a Polish engineer by the name of Aniela (fnu).
4. The Lenin Iron and Steel Works (formerly Nowa Huta) is located about 2 kilometers west of the town of Nowa Huta. The entire industrial area measures about four kilometers north-south and about three kilometers east-west. Upon completion of the project, the industrial area will be surrounded by a three-meter high concrete

SECRET

25X1

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC		ORR Ev.	X		
-------	---	------	---	------	---	-----	---	-----	--	-----	--	---------	---	--	--

(Note: Washington Distribution Indicated By "X", Field Distribution By "#")

SECRET

25X1

25X1

- 2 -

wall, but at present only parts of the area are enclosed with wire and barbed wire fencing. Each building which is in production is guarded by sentries who inspect the personal documents of those entering. Special passes issued by the management of the steel plant are necessary for entry into any building. These passes contain the usual biographic data and are marked with a letter which indicates the building for which the pass is valid.

5. The steel plant's administration buildings, as well as the "auxiliary production establishments" which are producing building materials for the steel plant, are located in the northeastern part of this industrial area.
6. The following auxiliary production establishments are producing building material for the steel plant:

- a. A steel foundry (stalownia) equipped with two electric arc furnaces (piece lukowe) and two small blast furnaces (zeliwiaki). Each electric arc furnace produces five tons of "melt" every eight hours by using 1.5 megawatts. Such items as parts for Soviet-made machines and wheels for vehicles used in carrying iron ore and iron scraps into the blast furnaces are also cast at this establishment. Each of the two small blast furnaces produces about one ton of metal a day. The steel foundry [ ] is completely finished, and there are no plans to enlarge it.
- b. An iron foundry (odlewnia zelaza) equipped with two blast furnaces (zeliwiaki) each of which is estimated to produce about eight tons of pig iron daily. Two additional Martin furnaces were being installed in November 1953.
- c. A fire-proofing materials section which has one of the largest buildings in the industrial area and produces all kinds of fire-proofing materials. This section is equipped with five "funnels" (sic). It is in full production.
- d. An electrical section, H-7, which is engaged in repairing machines that are delivered from the USSR and East Germany for installation at the steel plant. Many of the machines delivered by the Soviets and East Germans are used or second-hand machines. [ ] the Polish industry has a great shortage of "bobbins" (sic). The "bobbins" [ ] must be rolled by hand since there is a shortage of machines for this purpose.
- e. Drawing section (modelarnia): This section draws many of the plans for new machines which are produced at Nowa Huta, and also draws the plans for any new sections which are to be erected in the industrial area.
- f. Locomotive and railroad car repair section: This section was created to keep the locomotives and railroad cars used on the project in running order. The railroad authorities could not or would not help keep them in operation. This section employs about 150 workers on each of its three shifts.

7. The following sections and establishments have been planned or are under construction:

- a. The foundations for two large blast furnaces have been laid, and two or three additional blast furnaces will be constructed during the next Polish six-year plan. [ ]
- b. A building which will house several Martin furnaces of different sizes has been completed.
- c. A large building is under construction for the coke works section near the two blast furnaces mentioned in paragraph 7a above. Construction on this building was begun in November 1953.
- d. A large rolling mill is still in the planning stage. [ ] construction on it will not begin until the next six-year plan.

SECRET

25X1

- 3 -

e. A power plant is under construction. The Soviets failed to make their scheduled deliveries of turbines and machines for this power plant, so the Polish authorities contracted with Swedish manufacturers to supply the installations (see paragraph 8b (2) below). At present, the electric current for the project is furnished by the power plants located in Jaworzna, Porebka and Krakow.

8. a. None of the Soviet deliveries to Nowa Huta have been made on schedule, and the machines often arrive in a defective condition, although the propaganda announcements falsify the actual conditions. The Polish authorities have attempted to impel the Soviets to meet their scheduled deliveries, e.g., when a building is ready for its installations, the Polish authorities threaten to purchase the necessary installations from abroad unless the Soviets deliver the machines immediately. These threats have not, however, speeded up the delivery of machines from the USSR.

b. [ ] examples of delays in Soviet deliveries:

(1). The foundries mentioned in paragraph 6 above could not be put into operation for over eight months because the Soviets failed to deliver the machines for them. Some of the machines which the Soviets finally delivered contained cracks, which the Soviets had covered with putty and painted. There were some fatal accidents when these defective machines were put in operation.

(2). The Soviets failed to make their scheduled deliveries of machines and turbines for the six-story high building which was constructed for the power plant. The Poles then contracted [ ] manufacturers for the necessary installations, after which the Soviets again promised to make the deliveries. The Poles thereupon breached their contracts [ ] [ ] The Soviets, however, only delivered one old Steinmuller and Borsig boiler which had been manufactured in Germany, so the Poles again entered into contracts [ ] with the result [ ] constructing two 25-megawatt turbines.

(3.) The Soviets failed to deliver on schedule the electrical apparatus, water pipes, etc. for the town of Nowa Huta and the steel plant. The Polish authorities, therefore, decided to complete the houses without the necessary lighting apparatus, water pipes, etc., and paved the streets and sidewalks without first laying down pipes. The Soviets then made some of the necessary deliveries, and the Poles were forced to tear up parts of the completed dwellings and dig up the streets in order to make the necessary installations.

c. The Polish government has been purchasing machines, tools, etc. for the plant from East Germany, Czechoslovakia [ ] The Poles have also begun to rely on domestic production: the large blast furnaces for the steel plant will be supplied by the Batory Foundry in Silesia; electric motors for the power plant will be supplied by the Pafawag factory in Wroclaw; the Bierut steel plant in Czestochowa is manufacturing some machines for the rolling mill; and bridge cranes and iron arch constructions are being supplied by a factory in Zielona Gora (Gruenberg).

9. a. [ ] about 30,000 workers are employed on three shifts at the steel plant, i.e., 10,000 workers on each shift. Over half of these employees are engaged in actual production work at the auxiliary establishments mentioned in paragraph 6 and the remainder on construction work--the employment figures are very fluid. When the steel plant is fully constructed, which [ ] will be within 4 to 5 years, it will employ over 100,000 workers.

b. There is a continual effort to recruit new workers, but the working and living conditions at the Lenin Iron and Steel Works are generally known throughout Poland, so that there is difficulty in hiring the requisite number of workers. The workers [ ] are divided into three age groups: those over 18 years of age, those between 16 and 18, and those between 14 and 16. Different norms and wage scales have been established for each of these age groups. [ ]

[ ] Most of the construction work at the plant is done by hand since there is a scarcity of machines.

SECRET [ ]

25X1

SECRET

25X1

25X1

- 4 -

c. There is a shortage of skilled labor. Young specialists are, however, being trained at the Batory and Kosciuszko steel plants and at the foundries mentioned in paragraph 6. It was originally planned to give these trainees a three-year course, but because of the demand for skilled labor, the courses have been shortened to two years.

10. a. According to a Polish-Soviet agreement, each Soviet transport of machines is supposed to be accompanied by a Soviet escort composed of specialists who should transfer the machines to a Polish commission. No Soviet specialists have, however, accompanied these transports during the period March-November 1953. The Soviet specialists employed at the steel plant refuse to help in this transfer of machines, so the Poles are forced to do it alone. [REDACTED]

[REDACTED] Soviet specialists at the plant generally refuse to help the Poles in other matters, although the Soviets continually speak of the contribution their specialists are making to the Lenin Iron and Steel Works project.

b. A former railroad employee by the name of Siwek (fnu) is an inspector at the plant and usually conducts visiting Soviets around the plant.

25X1

SECRET

25X1